

Message Text

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ACTION NEA-10

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TAGS: EAID, IS
SUBJECT: PRESS REPORTS US ASSISTANCE MAY BE COMPLETELY CASH
GRANT

JERUSALEM POST OF APRIL 11 CARRIED A FOLLOWING REPORT BY ITS
WASHINGTON CORRESPONDENT.
BEGIN QUOTE:

THE US IS INCLINED TO AGREE TO AN ISRAELI REQUEST TO GRANT
ALL OF THE ANNUAL ECONOMIC ASSISTANCE TO ISRAEL--\$700 MILLION--
IN CASH, AMERICAN AND ISRAELI OFFICIALS SAID IN WASHINGTON
YESTERDAY.

THE REQUEST WILL BE GRANTED IF ISRAEL ASSURES THE US THAT ITS
TOTAL NON-MILITARY ANNUAL PURCHASES IN THE US WILL NOT GO DOWN
AS A RESULT OF GETTING ALL THE AID IN CASH.

ISRAEL BUYS BETWEEN \$900 MILLION TO \$950 MILLION OF NON-MILITARY
MERCHANDISE IN THE US ANNUALLY.

IF THE ISRAELI REQUEST IS GRANTED IT WOULD MEAN AN IMMEDIATE
\$250 MILLION MORE IN CASH AVAILABLE TO ISRAELI IMPORTERS, WHETHER
GOVERNMENT OR PRIVATE.

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FOR THREE OR FOUR YEARS, ISRAEL WAS UNABLE TO UTILIZE ALL
THE ECONOMIC ASSISTANCE THE US HAS PROVIDED IT, DUE MOSTLY TO
BUREAUCRATIC DIFFICULTIES IN BOTH COUNTRIES. THERE WERE YEARS
WHEN HALF OF THAT ASSISTANCE REMAINED UNUSED.

US ECONOMIC ASSISTANCE HAS MANY CONDITIONS. AMONG OTHERS,

ISRAEL MUST PROVIDE CERTAIN DOCUMENTATION OF THE PURPOSE OF THE PURCHASES AND THEIR FINAL DESTINATION. ISRAEL IS ALSO REQUIRED TO SHIP LARGE PORTIONS OF THESE PURCHASES ON AMERICAN VESSELS.

OTHER DIFFICULTIES WERE CAUSED BY ISRAEL'S RESTRICTIONS OF FOREIGN CURRENCY, BUT THESE WERE ALMOST TOTALLY ALLEVIATED WITH THE NEW FOREIGN CURRENCY POLICY LAUNCHED LAST YEAR.

UNTIL NOW ISRAEL RECEIVED ONLY \$300 MILLION IN CASH OF THE \$700 MILLION US ECONOMIC ASSISTANCE.

WITH ALL THIS AID NOW AVAILABLE IN CASH, ISRAEL COULD UTILIZE IT SPEEDILY AND EFFECTIVELY, AND AT THE SAME TIME BEGIN TO SPEND THE FUNDS REMAINING FROM PREVIOUS YEARS.

ISRAELI OFFICIALS THINK IT IS POSSIBLE THAT IN FISCAL YEAR 1979 (WHICH IN THE US BEGINS ON OCTOBER 1, 1978) ISRAEL WOULD HAVE AT ITS DISPOSAL A TOTAL OF OVER \$1 BILLION IN AMERICAN ECONOMIC ASSISTANCE.
END QUOTE.

HAARETZ AND MAARIV CARRIED SIMILAR ARTICLES.
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